

**Mises' Plan of an "Eastern European Democratic Union" (EDU) –
A Solution for the Ukrainian Crisis?**

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Once again, a conflict in Eastern Europe threatens world peace. The dispute about Ukraine's status as an independent country puts the old problem of national sovereignty in Eastern Europe back on the agenda. Once again, the project has failed to create a political and economic order in that region based on the principle of nationality. Once again, Ludwig von Mises was right when he diagnosed the Eastern European dilemma in his "[Omnipotent Government](#)" in 1944, shortly before World War II would end. In "that corner of the world", Mises stated, "it is impossible to draw boundaries which would clearly and neatly separate the various linguistic groups" (p. 286). As a way out, Mises proposed the project of an "Eastern Democratic Union" (EDU) in order to gain peace and prosperity in that region with a plan that is as pertinent today as it was then.

bases his idea of an EDU on the thesis that a political and economic order on the principle of nationality has been a complete failure (p. 286). Both, World War I and World War II, originated in Eastern Europe, he explains. It is up to the peoples of Eastern Europe to establish a common political order. In the outline of his proposal, Mises draws contours, which appear like a blueprint for the European Union as it came into existence after World War II in Western Europe at a time when Eastern Europe fell under the yoke of Soviet Russia.

Mises proposes a Union of free movement of goods, persons, labor, and capital not different from the "[four freedoms](#)" that have become the formative principle of the current European Union. In contrast to the earlier attempts before World War II to create a federation in Eastern Europe, Mises pleads for a "unitary democratic government". National borders will lose their meaning in such a framework, while the old political units can continue to

function. “Once the problem of borders has been deprived of its disastrous political implications, most of the existing national bodies can remain intact. Having lost their power to inflict harm upon their neighbors and upon their minorities, they may prove very useful for the progress of civilization and human welfare” (p. 289).

Mises stresses the need for a governmental system where the former independent sovereign state will be “nothing more than provinces”, which will “have to comply strictly with the laws and administrative provisions of the EDU” (p. 289). It seems as if Mises had foreseen the current structure of the European Union when he adds that the member states can retain “their kings or presidents, their flags, anthems, state holidays, and parades”, but that “(s)pecial commissioners ... will have to oversee the functioning of the local governments. As it is similar currently with the organizational structure of the European Union, Mises proposes for the Eastern European Democratic Union that “(a)ll disagreement between local governments or between the commissioner and the local government will be ultimately adjudicated by the central government, which is responsible only to the central parliament.” Mises also proposes the principle of the priority of legislation as it is the case in today’s European Union when he demands for the EDU that the “supremacy of the central government should not be limited by any constitutional prerogatives of local authorities. Disagreements should be settled by the central government and by the central parliament, which should judge and decide every problem in the light of its implications for the smooth working of the total system” (p. 290). Mises calls for an equal treatment of the different languages that make up the Union, and as it is currently the case within the European Union, he foresees the role of English as the “international subsidiary language for dealings among members of the different linguistic groups” (p. 291).

Mises observes that at the time of his writing, the politicians of the East European nations are united in the rejection of his proposal. He laments that “they do not see that the only alternative is permanent unrest and war among them” (p. 291) when they do not come up with “a system where the drawing of border lines no longer creates disaffection, unrest, and irredentism among minorities” (p. 292).

Against the objection that the region of Eastern Europe (or Europe as whole, one might add) is too heterogeneous in order to form a Union, Mises explains:

“One could object that the territory assigned to the Eastern European Democratic Union is too large and that the different linguist groups involved have nothing in common ... But we have to realize that the very function of the EDU would be to create peace in a part of the world ridden by age-old struggles among linguistic groups. Within the whole area assigned to the EDU it is impossible to discover a single undisputed border line...What is needed is nothing else than the conviction of the politicians of all these peoples that it is no longer possible to oppress men who happen to speak another language. They do not have to love one another. They merely have to stop inflicting harm upon one another” (p. 293).

How to deal with the situation in Eastern Europe and especially with the current [Ukrainian crisis](#) in the light of Mises’ proposal of an EDU? In fact, Mises’ plan has already become partly a reality in Europe with the establishment of the European Union (EU). From the original seven members in the early 1950s, the EU comprises currently 28 states. Among these are many countries from Eastern Europe such as Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. The conflict in the Ukraine began with a popular movement that wanted independence from Russia and an association with the European Union. In order to preserve peace and spread prosperity, the best way out for the Ukraine will be to join the EU without turning territorial claims on the [Crimea](#) into big issue.

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